



**CITY OF BUCKEYE
SPECIAL COUNCIL MEETING
AUGUST 16, 2016
MINUTES**

**City Council Chambers
530 E. Monroe Ave.
Buckeye, AZ 85326
4:00 p.m.**

1. Call to Order/Roll Call

Members Present: Councilmember Garza (arrived at 4:06 p.m.), Councilmember Orsborn, Councilmember McAchran, Councilmember Heustis, Vice Mayor Hess, and Mayor Meck.

Members Absent: None.

Departments Present: Interim City Manager Roger Klingler, City Attorney Shiela Schmidt, City Clerk Lucinda Aja, Deputy City Clerk Summer Stewart, Assistant to Council Carol Conley, Police Chief Larry Hall, Fire Chief Bob Costello, Finance Director Larry Price, Economic Development Director Len Becker, Development Services Director George Flores, Information Technology Director Greg Platacz, Water Resources Director Dave Nigh, City Engineer Scott Zipprich, Public Information Office Bob Bushner, Deputy Director of Planning Terri Hogan, and Library Manager Jana White.

2. Patrick HagEstad will receive the Oath of Office and be seated as the District 4 Councilmember with a term ending in 2018.

Staff Liaison: Lucinda Aja, City Clerk

Ms. Aja administered the Oath of Office to Patrick HagEstad; Mr. HagEstad was then seated as the District 4 Councilmember with a term ending in 2018.

3. Council to take action on Resolution No. 59-16 approving and authorizing the Mayor or City Manager to execute and deliver a Power Sales Contract with the Arizona Power Authority for the purchase of electric power to be effective October 1, 2017.

Staff Liaison: Dave Nigh, Water Resources Director

Mr. Nigh provided information related to the Power Sales Contract with Arizona Power Authority (APA); stated the Contract is for a 50-year period and provides for Hoover Energy at a reduced cost. The monthly allocation of 670 kilowatts is enough to operate one well-site. A financial analysis of the Power Sales Contract has been completed and annual cost savings are predicted for each operating year from 2018 through 2067. Councilmember Orsborn requested further information regarding escalators. Mr. Nigh stated if more power becomes available the City may opt to increase the energy allocation. Ron Whitler, Water Resources Hydrologist, provided additional information related to costs associated with the power, which will be required to be paid even if the energy is not utilized; stated the allocation is a fraction of the City's current energy needs and it would be unlikely the City would not utilize the entire monthly allocation. Mayor Meck requested clarification regarding the credit that will be provided by

Arizona Public Service (APS). Mr. Whitler stated the City will receive a credit from APS for the Hoover Energy utilized, resulting in a cost savings. Mr. Nigh clarified the annual electric bill for the Water Resources Department exceeds \$2 million; it is unlikely the City will not utilize this power. A motion was made by Councilmember Orsborn and seconded by Vice Mayor Hess to adopt Resolution No. 59-16 approving and authorizing the Mayor or City Manager to execute and deliver a Power Sales Contract with the Arizona Power Authority for the purchase of electric power to be effective October 1, 2017. Motion passed unanimously.

4. Council will make a motion to adjourn the meeting.

A motion was made by Councilmember Orsborn and seconded by Vice Mayor Hess to adjourn the meeting at 4:08 p.m. Motion passed unanimously.

Jackie A. Meck, Mayor

ATTEST:

Lucinda J. Aja, City Clerk

I hereby certify that the foregoing minutes are a true and correct copy of the Special Council Meeting held on the 16th day of August, 2016. I further certify that a quorum was present.

Lucinda J. Aja, City Clerk